

## Message Text

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15

ACTION TRSE-00

INFO OCT-01 EA-11 ISO-00 IO-14 NEA-14 AID-20 CIAE-00

COME-00 EB-11 FRB-03 INR-11 NSAE-00 RSC-01 XMB-07

OPIC-12 SP-03 CIEP-03 LAB-06 SIL-01 OMB-01 NSC-07

SS-20 STR-08 CEA-02 L-03 H-03 PA-04 PRS-01 USIA-15

DRC-01 /183 W

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R 300755Z AUG 74

FM AMEMBASSY MANILA

TO SECSTATE WASHDC 6475

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USADB

E.O. 11652: ADS, DECLAS 3/31/75

TAGS: EAID, EFIN, BEXP, RP

SUBJECT: ADB LOAN -MANILA WATER SUPPLY PROJECT (PHILIPPINES)

REF: MANILA 9302

1. SUBJECT PROJECT APPROVED AT AUGUST 28 BOARD OF DIRECTORS MEETING.

2. AS RESULT OF U.S. OBJECTIONS, BANK AGREED TO DELETE 15 PERCENT PREFERENCE PROPOSAL BY RESTORING INTERNATIONAL COMPETITIVE BIDDING PROCEDURE FOR PROCUREMENT OF 120,000 OF THE 145,000 METERS FOR THE PROJECT. (CORRIGENDUM TO ADB DOC. POUCHED ADDRESSEES) REMAINING 25,000 METERS TO BE PROCURED FROM LOCAL SUPPLIERS IF: (1) QUALITY STANDARD APPLICABLE TO METERS PROVIDED UNDER INTERNATIONAL COMPETITIVE BIDDING IS MET AND (2) PRICE IS COMPETITIVE WITH PRICE OF OTHER METERS PROVIDED UNDER PROJECT. MWSS TO MEET COST OF SUCH METERS FROM OWN RESOURCES. IF LOCAL SUPPLIERS

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CANNOT MEET BOTH CONDITIONS OR CANNOT PROVIDE QUANTITY OF

METERS ENVISAGED, SHORTFALL WILL BE PROCURED UNDER INTERNATIONAL COMPETITIVE BIDDING. IN EFFECT, 120,000 REPRESENT MINIMUM TO BE SUPPLIED UNDER INTERNATIONAL COMPETITIVE BIDDING WITH POSSIBILITY THAT PORTION OF REMAINING 25,000 WILL BE OBTAINED UNDER THOSE PROCEDURES AS WELL. BANK STAFF INDICATES THAT METERS WILL MOST LIKELY BE OF DISPLACEMENT VARIETY.

3. CONSIDERABLE DISCUSSION BY BOARD MEMBERS REGARDING SHORTCOMINGS IN BANK APPRAISAL REPORT. SPECIFICALLY, NUMEROOUS DIRECTORS POINTED CRITICALLY TO ABSENCE OF ADEQUATE EXPLANATION IN REPORT OF IBRD EXPERIENCE WITH ITS INTERIM WATER SUPPLY PROJECT IN MANILA. AS A RESULT OF CONCERN ABOUT FINANCIAL SOUNDNESS OF MWSS, VICE PRESIDENT, WHO CHAIRED MEETING, ASSURED BOARD THAT QUARTERLY PROGRESS REPORTS ON ALL ASPECTS OF PROJECT IMPLEMENTATION, INCLUDING THOSE REGARDING FINANCIAL ASPECTS OF PROJECT, WILL BE OBTAINED BY BANK, AND MADE AVAILABLE TO BOARD MEMBERS IF SO DESIRED. BOARD HIGHLY SENSITIVE TO FACT THAT PROJECT LARGEST FINANCED SO FAR BY BANK AND CERTAINLY MOST VISIBLE GIVEN LOCATION.  
SULLIVAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WATER SUPPLY SYSTEM, TECHNICAL ASSISTANCE, GOVERNMENT BUDGET, EQUIPMENT, PROCUREMENT, BANK LOANS, PROPOSALS (BID)  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 30 AUG 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** martinml  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974MANILA10449  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D740240-1047  
**From:** MANILA  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Legacy Key:** link1974/newtext/t1974084/aaaaadel.tel  
**Line Count:** 82  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION TRSE  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** MANILA 9302  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinml  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 08 AUG 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <08-Aug-2002 by worrelsw>; APPROVED <12 MAR 2003 by martinml>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** ADB LOAN -MANILA WATER SUPPLY PROJECT (PHILIPPINES)  
**TAGS:** EAID, EFIN, BEXP, RP, ADB-1  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005